

Message Text

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PAGE 01 STATE 174156
ORIGIN XMB-04

INFO OCT-01 EA-10 ISO-00 EB-08 AID-05 CIAE-00 INR-10
NSAE-00 COME-00 OMB-01 TRSE-00 /039 R

XMB

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EB/IFD/ODF:TPARKER
-----090281 111754Z /53

R 111618Z JUL 78
FM SECSTATE WASHDC
TO AMEMBASSY TOKYO
INFO AMEMBASSY SEOUL

LIMITED OFFICIAL USE STATE 174156

E.O. 11652: N/A

TAGS: EFIN, JA, KS

SUBJECT: KECO'S SEOHAE THERMAL POWER PROJECT

REFERENCE: (A) STATE 168667, (B) TOKYO 12199

1. EXIMBANK UNDERSTANDS THAT A PROMPT REPLY IS NOT
FEASIBLE AND APPRECIATES EMBASSY'S EFFORTS IN THE MATTER.
ALTHOUGH THE REQUESTED INFORMATION WILL NOT BE AVAILABLE
IN TIME TO BE PERTINENT TO THE SEOHAE PROJECT, IT WILL
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PAGE 02 STATE 174156

BE USEFUL IN FUTURE TRANSACTIONS.

2. EXIMBANK DOES NOT KNOW OF ANY VEHICLE BEING EMPLOYED
TO SHIFT THE EXCHANGE RISK. EXIMBANK FINDS IT HARD TO
COMPREHEND THAT THE COMPANIES CAN TAKE A 14 YEAR FOREIGN
EXCHANGE RISK.

3. MITI HAS INFORMED EXIMBANK THAT IT IS EXAMINING TERMS
OF 85 PERCENT COVER WITH A TERM OF 20 SEMIANNUAL

INSTALLMENTS. THE LOAN WILL BE OFFERED BY THE EXPORTER IN EITHER YEN OR DOLLARS. THE INTEREST RATE IS REPORTED TO BE 7.75 PERCENT. AN INSURANCE PREMIUM OF 0.4 PERCENT MAY ALSO BE CHARGED BUT WILL PROBABLY BE PICKED UP BY THE SUPPLIER.

4. EXIMBANK, IN REFTEL A WAS NOT SUGGESTING THAT THE USG SHOULD TAKE THE POSITION THAT CARRYING LONG-TERM DOLLAR DENOMINATED CLAIMS IS A BAD RISK. COMPANIES, SUCH AS KOREA ELECTRIC COMPANY FOR EXAMPLE, HOWEVER, PLACE A HIGH VALUE ON THE CURRENCY OF REPAYMENT, AND IN TODAY'S ENVIRONMENT THE DOLLAR APPEARS TO BE A MORE FAVORABLE CURRENCY TO DEAL IN RELATIVE TO THE YEN. JAPANESE FINANCING IN DOLLARS TAKES AWAY A LARGE ADVANTAGE FROM U.S. EXPORTERS. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: THERMAL POWER PLANTS, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Draft Date: 11 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE174156
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Document Unique ID: 00
Drafter: G. D. SOLOMON
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Expiration:
Film Number: D780283-1159
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780773/aaaacjtq.tel
Line Count: 77
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: bde9ce77-c288-dd11-92da-001cc4696bcc
Office: ORIGIN XMB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
Reference: 78 STATE 168667, 78 TOKYO 12199
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
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Review Exemptions: n/a
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Review Release Date: N/A
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Secure: OPEN
Status: NATIVE
Subject: KECO\S SEOHAE THERMAL POWER PROJECT
TAGS: EFIN, JA, KS
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Type: TE
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Review Markings:
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